

Message Text

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ACTION EA-09

INFO OCT-01 EUR-12 ISO-00 EB-07 AID-05 CIAE-00 COME-00

FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06

SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 AGR-10 NSC-05

SS-15 STR-04 CEA-01 DODE-00 PA-02 PRS-01 H-02 FEAE-00

INT-05 DHA-02 DPW-01 L-03 PM-04 SAM-01 PPTE-00 SCA-01

CU-04 OES-05 IO-11 EAE-00 /154 W

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P R 270815Z FEB 76

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC PRIORITY 9311

INFO AMEMBASSY BANGKOK

AMEMBASSY JAKARTA

AMEMBASSY KUALA LAMPUR

AMEMBASSY MANILA

AMEMBASSY PARIS

AMEMBASSY SEOUL

AMEMBASSY SINGAPORE

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: BPRO, EEWT, VN, US

SUBJECT: AMCHAM PAPER ON TRADE WITH VIET-NAM

1. THE FOLLOWING IS A DRAFT HONG KONG AMERICAN CHAMBER OF COMMERCE "POSITION PAPER" ON TRADE WITH VIET-NAM, PREPARED BY LOUIS SAUBOLLE (BANK OF AMERICA) AND WILLIAM ROSENTHAL (BUSINESS INTERNATIONAL) FOR PRESENTATION AT THE MARCH 6-8 MEETING OF THE ASIA-PACIFIC COUNCIL OF AMERICAN CHAMBERS IN HONG KONG. SAUBOLLE INFORMED US THAT NO RESOLUTION WILL BE PRESENTED ON THE SUBJECT DURING THIS MEETING.

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2. QUOTE: TRADE RELATIONS WITH VIET-NAM

IN THE FOUR MONTHS SINCE THE PRESENTATION OF THE AMCHAM HONG KONG POSITION PAPER - THE ESTABLISHMENT OF COMMERCIAL RELATIONS WITH ALL INDOCHINA STATES - AT THE LAST APCAC CONFERENCE IN SEOUL, KOREA, THERE HAS BEEN SOME SIGNIFICANT PROGRESS IN RELATIONS BETWEEN VIET-NAM AND THE UNITED STATES. IT CAN BE FAIRLY SAID THAT THERE HAS BEEN A SOFTENING OF WHAT SOMETIMES APPEARED TO BE RATHER RIGID ATTITUDES ON BOTH SIDES.

COMMENTING ON THE NOVEMBER APCAC RESOLUTION, ASSISTANT SECRETARY OF STATE PHILIP HABIB SAID RECENTLY THAT APCAC'S RECOGNITION OF THE IMPORTANCE OF RECIPROCITY, AS REFLECTED IN THAT RESOLUTION, IS VERY REALISTIC. APCAC CONTINUES TO ACKNOWLEDGE THE NECESSITY FOR RECIPROCITY. ALTHOUGH THE FULL U.S. EMBARGO ON TRADE WITH CAMBODIA AND VIET-NAM IS STILL IN EFFECT, A NUMBER OF SPECIAL LICENSES FOR U.S. EXPORTS TO VIET-NAM HAVE BEEN GRANTED AS A RESULT OF VIETNAMESE ACTION ON AMERICANS MISSING IN ACTION (MIAS). INDEED, ACCORDING TO AMBASSADOR HABIB, APPROVAL WAS "PROMPTLY GRANTED" FOR ALL OUTSTANDING LICENSE APPLICATIONS AFTER THE RELEASE TO THE MONTGOMERY CONGRESSIONAL SUBCOMMITTEE OF THREE AMERICAN BODIES LAST DECEMBER.

THE ESSENCE OF UNITED STATES POLICY TOWARDS INDOCHINA CAN NOW BE CRYSTALLIZED FROM STATEMENTS LATE LAST YEAR BY PRESIDENT FORD AND SECRETARY OF STATE KISSINGER.

IN THE PACIFIC DOCTRINE SPEECH IN HONOLULU, PRESIDENT FORD SAID: "IN INDOCHINA, THE HEALING EFFECTS OF TIME ARE REQUIRED. OUR POLICIES TOWARD THE NEW REGIMES OF THE PENINSULA WILL BE DETERMINED BY THEIR CONDUCT TOWARD US. WE PREPARED TO RECIPROCATATE GESTURES OF GOODWILL -- PARTICULARLY THE RETURN OF THE REMAINS OF AMERICANS KILLED OR MISSING IN ACTION, OR INFORMATION ABOUT THEM. "IF THEY EXHIBIT RESTRAINT TOWARD THEIR NEIGHBORS AND CONSTRUCTIVE APPROACHES TO INTERNATIONAL PROBLEMS, WE WILL LOOK TO THE FUTURE RATHER THAN TO THE PAST." PREVIOUSLY, DR. KISSINGER HAD SAID: "WE SHALL SEEK A NEW STRUCTURE OF STABILITY IN SOUTHEAST ASIA. THIS ADMINISTRATION INHERITED THE CONFLICT IN INDOCHINA AND BROUGHT UNCLASSIFIED

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OUR INVOLVEMENT TO AN END. THAT CHAPTER IN OUR HISTORY, WHICH OCCASIONED SO MUCH ANGUISH, IS NOW CLOSED. AS FOR OUR RELATIONS WITH THE NEW GOVERNMENTS IN THAT REGION, THESE WILL NOT BE DETERMINED BY THE PAST; WE ARE PREPARED TO RESPOND TO GESTURES OF GOODWILL. IF THOSE GOVERNMENTS SHOW UNDERSTANDING OF OUR CONCERNS AND THOSE OF THEIR NEIGHBORS, THEY WILL FIND US READY TO RECIPROCATATE...WE HAVE NO INTEREST TO CONTINUE THE INDOCHINA WAR ON THE

DIPLOMATIC FRONT; WE ENVISAGE THE EVENTUAL NORMALIZATION OF RELATIONS. IN THE INTERIM, WE ARE PREPARED TO CONSIDER PRACTICAL ARRANGEMENTS OF MUTUAL BENEFIT IN SUCH FIELDS AS TRAVEL AND TRADE."

WHILE SOME PROGRESS HAS BEEN MADE, IT WOULD BE UNREALISTIC TO EXPECT ANY DRAMATIC BREAKTHROUGH IN U.S./VIETNAM RELATIONS DURING 1976 -- A PRESIDENTIAL ELECTION YEAR. ALTHOUGH THE VIETNAMESE RECOGNISE THIS, THE URGENCY OF THEIR NEED FOR ECONOMIC RECONSTRUCTION THROUGHOUT VIET-NAM HAS FORCED THEM TO TURN ELSEWHERE FOR TRADE AND AID. AGREEMENTS HAVE BEEN SIGNED WITH THE SOVIET UNION, CHINA AND JAPAN, AMONST OTHERS.

IT SHOULD BE POINTED OUT THAT THE UNITED STATES STILL MAINTAINS FULL RELATIONS WITH THE NEW GOVERNMENT IN LAOS, AND THAT NO TRADE RESTRICTIONS APPLY IN THIS CASE. ADDITIONALLY, THE STATE OF AFFAIRS IN CAMBODIA IS SO UNCERTAIN AS TO MAKE ANY PROGRESS IN U.S./CAMBODIA RELATIONS EXTREMELY UNLIKELY IN THE NEAR FUTURE. HOWEVER, IN REGARD TO VIET-NAM, AND CITING THE GRADUAL EASING OF THE U.S. EMBARGO ON TRADE WITH THE PEOPLE'S REPUBLIC OF CHINA AS PRECEDENT, WE URGE FAVORABLE CONSIDERATION OF THE FOLLOWING INTERIM STEPS WHICH COULD BE USED AS DEMONSTRATIONS OF RECIPROCAL GOODWILL TO VIETNAMESE PROGRESS ON THE RELEASE OF INFORMATION ON MIAS:

1. SIX CATEGORIES OF U.S. CITIZENS WOULD HAVE PASSPORTS AUTOMATICALLY VALIDATED FOR TRAVEL TO VIET-NAM: MEMBERS OF CONGRESS, JOURNALISTS, PROFESSIONAL TEACHERS, SCHOLARS WITH POSTGRADUATE DEGREES AND STUDENTS IN COLLEGES AND UNIVERSITIES, SCIENTISTS AND MEDICAL DOCTORS, AND AMERICAN RED CROSS REPRESENTATIVES;
 2. COMMERCIAL REGULATIONS AFFECTING TRADE BE RELAXED TO PERMIT FOREIGN SUBSIDIARIES AND AFFILIATES OF AMERICAN FIRMS TO TRADE WITH VIET-NAM IN NONSTRATEGIC GOODS MANU-
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FACTURED OUTSIDE THE UNITED STATES. WE NOTE WITH APPRECIATION THE PROGRESS ALREADY MADE, PARTICULARLY IN THE APPROVAL OF DISCUSSIONS BETWEEN VIETNAMESE OFFICIALS AND REPRESENTATIVES OF U.S. OIL COMPANIES AND OF THE U.S. GOVERNMENT INTENTION OF EXAMINING APPLICATIONS FOR EXPORT LICENSES OR BUSINESS TRAVEL TO VIET-NAM ON A CASE-BY-CASE BASIS. IT IS OUR CONTINUED CONVICTION THAT IMPROVED COMMERCIAL RELATIONS WITH THE DEMOCRATIC REPUBLIC OF VIET-NAM ARE IN THE BEST INTERESTS OF SOUTHEAST ASIAN NATIONS AND OF AMERICAN ECONOMIC ACTIVITY IN THE REGION. FURTHERMORE, A RELAXATION OF TRADE RESTRICTIONS ALONG THE LINES OUTLINES ABOVE NEED IN NO WAY FORCE THE HAND OF THE UNITED STATES IN THE DEVELOPMENT OF POLITICAL RELATIONS. IT IS OUR UNDERSTANDING THAT WHILE HANOI

PREDICATES DIPLOMATIC RELATIONS ON WHAT THEY MAINTAIN
IS THE U.S. OBLIGATION FOR POST-WAR RE-CONSTRUCTION UNDER
THE PARIS PEACE ACCORDS -- A POSITION WHICH WASHINGTON
REJECTS, THE U.S. SEES PROGRESS ON THE MIA ISSUE AS A
PREREQUISITE FOR IMPROVED TRADE RELATIONS -- A POSITION
WHICH HANOI APPEARS TO ACCEPT.
CROSS

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